

SENATE BILL 1081

Q4

0lr2876

By: **Senators DeGrange and Garagiola**

Introduced and read first time: March 3, 2010

Assigned to: Rules

A BILL ENTITLED

1 AN ACT concerning

2 **Rebate Programs for Retail Sales – Collection of Sales and Use Tax**

3 FOR the purpose of requiring a State agency to verify whether certain sales or use tax
4 has been collected by the vendor before issuing or allowing the issuance of
5 certain rebates or similar instruments to reduce the cost of certain sales;
6 requiring certain State agencies to submit or require the submission of certain
7 information under certain circumstances to the Comptroller to assist the
8 Comptroller in the collection of a certain sales and use tax; and generally
9 relating to the collection of a sales or use tax on retail sales subject to certain
10 rebates.

11 BY adding to

12 Article – Tax – General

13 Section 11–409

14 Annotated Code of Maryland

15 (2004 Replacement Volume and 2009 Supplement)

16 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
17 MARYLAND, That the Laws of Maryland read as follows:

18 **Article – Tax – General**

19 **11–409.**

20 **(A) NOTWITHSTANDING ANY OTHER PROVISIONS OF LAW, BEFORE A**
21 **STATE AGENCY ISSUES A REBATE OR SIMILAR INSTRUMENT OR ALLOWS A**
22 **REBATE OR SIMILAR INSTRUMENT TO BE ISSUED BY A NONGOVERNMENT ENTITY**
23 **TO REDUCE THE COST OF A RETAIL SALE, THE STATE AGENCY SHALL VERIFY**
24 **WHETHER ANY APPLICABLE SALES OR USE TAX HAS BEEN COLLECTED ON THE**
25 **SALE BY THE VENDOR.**

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 **(B) IF THE STATE AGENCY DETERMINES THAT ANY APPLICABLE SALES**
2 **OR USE TAX HAS NOT BEEN COLLECTED, THE STATE AGENCY SHALL SUBMIT OR**
3 **REQUIRE THE SUBMISSION OF THE NECESSARY INFORMATION TO THE**
4 **COMPTROLLER SO THAT THE SALES OR USE TAX MAY BE COLLECTED BY THE**
5 **COMPTROLLER.**

6 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
7 July 1, 2010.